

**Larchmont Village Property Owners Association
200 North Larchmont Boulevard
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April 26, 2012

Mr. Eugene Van Cise
Administrative Services
Office of the City Clerk, Room 224
200 North Spring Street
Los Angeles, CA 90012

Dear Mr. Van Cise:

Re: Activity and Budget Report for First Quarter 2012

As required by Section 2 (B) of the Agreement between the City of Los Angeles and the Larchmont Village Property Owners Association, this submittal constitutes the Activity Report for the first quarter of Year XV (Fiscal Year 2012) of the Larchmont Village Business Improvement District.

The Larchmont Village property-based Business Improvement District (LVPBID), a two block long (1 single, uninterrupted block) corridor, is located within the heart of historic Larchmont Village, bounded on the north by Beverly Boulevard and on the south by First Street. Larchmont Village attracts thousands of tourists each year by its graceful, charming ambience, and also, with its broad range of retail destinations, serves the day-to-day shopping needs of the surrounding residential neighborhood.

The LVPBID was established by City Council ordinance on August 5, 1997. Its first year of operations (and fiscal year) commenced on January 1, 1998 with a Year 1 budget of \$40,000 to accomplish the following activities, which addressed the priorities within the Management Plan. On October 2, 2002 the Larchmont Village Business Improvement district was renewed for a period of 10 years, January 1, 2003 to and including December 31, 2012. The first year's budget for the renewal period is \$65,000 and the projected budget for 2012 is \$83,000.

In broad terms, the purpose and focus of the LVPBID was to upgrade the exterior environment for shoppers, tourists, business owners and their employees. Specifically, this focus included maintaining, as budget allowed, the surface of the sidewalks with regular pressure cleaning; annual trimming of the ficus trees; and providing a sidewalk porter at least one day a week to keep the sidewalks and gutters free of litter. Security was added to this activity for the renewal of the BID.

2012 (1st Quarter) Activities

Maintenance

Sidewalk Maintenance: The LVBID continued a contract throughout this quarter for monthly pressure cleaning of the east and west side of Larchmont Boulevard between 1st Street and Beverly Blvd. The vendor is Smart Wash, Inc. who is also responsible for pressure cleaning the lids on the sidewalk trash receptacles on the 2nd Tuesday of each month.

Sidewalk Porter: Clean Street was selected to provide both trash collection and porter services for Larchmont Blvd.

Maintenance Supplies: This is a new budget item that was included in Year III. Since using the Clean Street company there is no need for the BID to supply trash bags. The City has a service whereby they provide trash bags to various BID's and Larchmont has been using this service.

Independent Contractor Trash Collection: Clean Street was selected to provide both trash collection and porter services for Larchmont Blvd.

Tree Trimming: The LVBID assumed the responsibility of trimming the district's 45 mature ficus trees and 1 palm tree to ensure trimming was accomplished to the City's specifications, and to ensure aesthetic consistency. The trees are pruned in the last quarter of every other year and are scheduled to be pruned in the last quarter of this year.

Insurance

Directors and Officers insurance premiums are paid in the 2nd quarter of each year.

Adm./Mgt Services

Dolan & Knight Property Management, Inc. provides the day-to-day management of the BID and charges \$700 per month.

Sidewalk Security

The merchants' association had been paying for a part time security guard who provided safety along the sidewalks. The BID agreed to help with the cost of the security guard, which was started with the holiday season, Christmas 2002. The total budget for this category is an annual of \$24,000. The BID contributes \$20,000. However, due to budgetary constraints this year the BID will only be able to contribute \$15,000.

Contingency & Reserve

The BID carried forward a balance of \$1,293.81 from 2011 that will be used in 2012.

The BID has been receiving an annual donation of \$2,000.00 from the Dept. of Water & Power for holiday decorations. This money is passed on to the LBA due to the fact that they are the ones that provide the decorations.

Sincerely,

Erin M. Dolan
Manager

LARCHMONT VILLAGE PROPERTY OWNERS BUSINESS IMPROVEMENT DISTRICT

**Larchmont Village
Property Owners Association**

**April 26, 2012
1st Quarter 2012**

Please see the attached presentation by H & R Marketing regarding the BID renewal and what your "Yes" and "No" votes mean.

The financials for the 1st Quarter 2012 are as follows:

BUDGET LINE ITEM	ANNUAL BUDGET 2012	AMOUNT SPENT THIS QUARTER 1/01/12-3/31/12	AMOUNT SPENT YEAR TO DATE 1/01/12-3/31/12	PROJECTED SPENDING FOR NEXT QUARTER 4/01/12-6/30/12
Security	\$15,000.00	\$5,000.00	\$5,000.00	\$5,000.00
Sidewalk and trash bin maintenance	\$39,180.00	\$9,795.00	\$9,795.00	\$9,795.00
Tree Pruning	\$0.00	\$0.00	\$0.00	\$0.00
Sidewalk repairs	\$0.00	\$0.00	\$0.00	\$0.00
Adm/Operating expenses	\$19,129.00	\$2,100.00	\$2,100.00	\$13,810.00
Contingency / Reserves	\$2,200.00	\$0.00	\$0.00	\$0.00
TOTAL	\$75,509.00	\$16,895.00	\$16,895.00	\$28,605.00



Larchmont Village BID 2013 Renewal

What the 2013-2022 Larchmont Village BID Renewal Includes:

Streetscape Services
Marketing/Promotions/Public Relations
Physical Amenities
Administration/Operations
Contingency/Special Fees/Reserve

Streetscape Services:

Streetscape services are vital to the upkeep of the high quality shops/restaurants and, ultimately, high quality tenants and consumers that make up the Larchmont Village BID. In order for the Larchmont Village BID to attract and maintain high end, loyal consumers and tenants, the most basic requirement is a clean and trash-free boulevard. The importance of this basic need is reflected in the fact that 60.75 percent of the PBID's budget is dedicated to expenses related to maintaining the boulevard's attractive physical space. We will continue to work with the Larchmont Business Association (LBA) to share costs here in a way that makes sense for both organizations. This is a base expectation of the boulevard and failure to approve the Larchmont Village BID renewal would result in the cessation of all services listed below.

- a. Cleaning, litter pickup, landscape upkeep and trash bin cleaning, including:
 - One time per week all streetscape areas, landscape wells and planters will be cleaned of all trash and debris.
 - One time per week a street sweeper will sweep the streetscape areas. This will be performed between 5 a.m. and 8 a.m.
 - Daily each morning, trash liners will be emptied and bags replaced; all lids will wiped off.
 - At 3 p.m. each day all liners more than half full will be changed. Also at this time the area around the receptacles will be cleaned of all trash and debris.
 - Monthly pressure washing of all streetscape areas and trash bin lids
 - Tree trimming every other year (need to trim trees in November 2013)
- b. 60.75% of budget; est. \$72,900 for 2013



Marketing/Promotions/Public Relations:

To stay competitive within the retail/restaurant marketplace, the Larchmont Village BID needs a clear marketing/promotions strategy and a distinct brand identity. This is a new facet of the Larchmont Village BID plan added as a proactive way to bring business to the Boulevard. When the BID was last renewed in 2003, there was less retail competition for the Boulevard: The Grove had just opened and online shopping wasn't as prevalent as it is today. The landscape has changed dramatically so the goal is to generate increased retailer revenues by driving more consumers to the stores and restaurants within the Larchmont Village BID and keep Larchmont competitive.

Following are marketing/promotions activities proposed for 2013 and beyond. Some of the items fall outside the parameters of the 2013 budget but should be considered for 2014 and beyond.

Create a clear and compelling brand identity for the BID/Larchmont Village

Larchmont Village already has a positive identity and regular, loyal visitors. It is unique in Los Angeles: a charming, hometown Main Street feel with sophisticated, urban retail offerings and dining options -- a perfect combination, all in one block, that's easily accessible from Hollywood, Downtown, mid-City, Los Feliz and Los Angeles neighborhoods further afield. Larchmont Village appeals to local families, GenX and Y, and tourists alike, with celebrity cache as well as strong ties to local schools and neighborhood associations. While its disparate offerings and visitors add to its appeal, they present some branding challenges. Larchmont Village offers something for everyone so everyone has his or her own image of what the village means to them. This is highlighted in the many ways that people refer to the area that is the Larchmont Village BID as "the village," "Larchmont," "the boulevard," and "Larchmont Village." We need a well-formed plan to give the village consistency and clarity of brand identity. While the Larchmont Village BID 2013 budget doesn't allow for a full-fledged branding campaign, we can certainly accomplish some branding basics, including:

- a. Formalize the BID name (Larchmont Village) and create a logo (consistent font and color palette) to use in all marketing materials and outreach.
- b. Create a tag line for the BID. A descriptive clause that captures the spirit of the shopping/dining experience will drive new business to Larchmont Village and resonate with existing patrons.
- c. Further introduce the brand to the community by emblazoning shirts, hats, totes, etc. (S.W.A.G.) with the new logo.
- d. Work with Councilmember LaBonge's office to create permanent signage directing those driving along Melrose down to the businesses in the BID.



Create and maintain an Internet marketing and social media program for the BID

Any retail environment that wants to stay relevant needs a strong presence online. Larchmont Village already has several unofficial web sites and blogs; the BID needs to have its own vibrant presence and develop its stake in various online communities. We will accomplish this by:

- a. Developing a Larchmont Village BID web site. A basic web site/landing page will include information about all businesses within the BID, links to business websites and other valuable neighborhood sites, and an annual calendar of events. The depth of information that can be included on the website is vast and more extensive content can be added in future years as the budget allows. For example: advertising opportunities for upcoming promotional events, information and links to LoopNet to advertise any available space within the BID.
- b. Creating accounts/profiles with key social media outlets: Facebook, Twitter, FourSquare, Yelp, Google+. This is an effective way to communicate information and promotions for all businesses within the BID. A recent *Washington Post*/Social Code survey found that people who “like” your businesses on Facebook are three times more likely to make purchases. Facebook is also a great way to gain third party endorsements motivated through promotions.
- c. Designing a hard copy business directory. We will create and print an eye-catching 4-fold brochure and distribute it to target audiences including local residents, hotels, and personal shoppers (as the budget allows). Copies will also be given to each business in the BID to distribute to their customers. A link to the BID website will be featured as well as a QR code that can be scanned with a phone/PDA, leading to the website. We will look for ways to partner with the Larchmont Boulevard Association (LBA) to share costs and prevent consumer confusion.

Hold a holiday lighting event to kick off the holiday shopping season

A feel-good, anticipated annual event, this will kick off the Larchmont Village BID's holiday shopping season. The entire BID block will be lit up at a special ceremony that features a VIP local dignitary flipping the switch. This event will be promoted through local media and social media relations. We can also provide retailers with suggested customer outreach strategies (i.e., remind them to send event details to their email lists, post on their Facebook pages, and consider offering in-store promotions). The goal of this event is to generate community goodwill and holiday spirit, while driving foot traffic to the BID. Furthermore, this event will help solidify the BID as a major player in the Los Angeles shopping/dinning destination marketplace -- at the time of year that matters most for retailers. Exact event activities are TBD based on budget.

Create an ongoing media relations campaign



We will also regularly approach local media to secure positive articles about the Larchmont Village BID as a shopping/dinning destination in Los Angeles. Target media will include *The Larchmont Chronicle*, *Los Angeles Times*, *Los Angeles Business Journal*, *Beverly Press/Park La Brea News*, *Los Feliz Ledger*, EaterLA.com, LAist.com, LA.com, Daily Candy, PureWow, broadcast affiliates and other appropriate outlets. In future years, food shows that cover local restaurants can also be approached to do stories on the successful BID restaurants. We can also consider a trade campaign for any retailers with specific pitches for their industries. Social media relations efforts will include regular postings on the BID's web site, Google+ and Facebook pages, tweets, and postings to appropriate e-groups (i.e. myfavoritethings, Peachhead), and blogs.

Keep community relations top of mind

As previously stated, Larchmont Village is a very special neighborhood community. Any plan must recognize the loyalty and influence that this community has on the businesses that make up the Larchmont Village BID and keep this element in mind as we promote Larchmont Village beyond the local community. Creating events for the community will go a long way to show how we appreciate its value and loyalty. Additionally, the community is a great resource and has highly effective electronic communication networks that can be tapped into to exchange information, promotions and upcoming events. To this end, we'll regularly reach out to key neighborhood groups like the Larchmont Village Neighborhood Association, the Hancock Park Homeowners Association, the Windsor Square Association, and the Brookside Homeowners Association.

Additional activities

- a. Produce an inventory of present retail uses in the Larchmont Village BID and suggest what's needed; provide information on available properties and links to property owners' web sites/LoopNet listings on BID web site.
- b. Review marketing activities taking place in other BIDs (Montana Ave., Beverly Hills, Montrose); forge brain trust as appropriate; incorporate ideas into planning
- c. Provide a recap of all marketing/promotions activities supported by BID for property owners to pass on to their occupying retailers

12.5% of budget; est. \$15,000 for 2013



Physical Amenities:

- street lamp seasonal banners
- holiday decorations (i.e. candy cane stripes on meters, menorah)
- holiday lighting (partner with LBA)
- 6.67% of budget; est \$10,000 for 2013

Administration/Operations:

- day-to-day contract management
- preparation of Larchmont Village BID related reports
- office expenses
- legal fees
- City/County assessment district fees
- accounting/bookkeeping fees
- Directors & Officers and General Liability insurance
- 12.84% of budget; est \$15,410 for 2013

Contingency/Special Fees/Reserve:

- City and County assessment related fees
- uncollected assessments
- unexpected expenditures
- 7.24% of budget; est \$8,690 for 2013

Key Differences from 2003-2012 Larchmont Village BID Period:

In final year 2012, the levy is \$76,454.00; the proposed assessment levy for first year 2013 is \$120,000 (an increase from \$36.14 to \$55.14 per linear frontal foot).

Each line item of the 2013 budget differs from the 2012 budget as follows:

- Increase of \$33,720 for Streetscape Services (tree trimming comes out of this budget and cost \$11K when it was done in 2011)
- Addition of \$15,000 for Marketing/Promotions (new line item)
- Addition of \$8,000 for Physical Amenities (new line item)
- Increase of \$7,396 for Contingency/Reserve
- Decrease of \$4,019 for Administration/Operations
- Decrease of \$15,000 for Security -- supplemental private security is no longer funded by the PBID; it is entirely covered by the LBA

The annual levy increase 2013-2022 will remain the same: up to 3%.

**What Your Vote Means:**

Yes: Larchmont Village BID renewal benefits are approved as outlined above.

No: All Larchmont Village BID activities cease to exist altogether. (There is not a scenario where the additional activities added for the 2013-2022 renewal period are simply not approved and the budget reverts to what it was in 2012.)

The timing is right for the increased benefits that this renewal will provide. It is an investment in maintaining the aesthetics and appeal of the boulevard and ensuring that Larchmont Village and the BID businesses reach maximum success. All of this is achieved with a cohesive marketing plan that recognizes community relations as well as business development.